

PUBLIC PROTECTION CABINET
Department of Housing, Buildings and Construction
Licensing Branch
(Amendment)

815 KAR 30:010. LP gas license; financial responsibility required

RELATES TO: KRS 234.120, 234.130

STATUTORY AUTHORITY: KRS 234.120(3)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 234.120 ~~authorizes~~requires the commissioner~~[Executive Director]~~ to promulgate reasonable administrative regulations requiring proof of ability to respond in damages for personal injury and property damages in the minimum amounts required under KRS 234.120(1)~~[financial responsibility]~~. This administrative regulation establishes the initial application and renewal requirements for LP gas license applicants and LP gas licensees. ~~[This administrative regulation is made to assure persons injured by LP Gas dealers have some assets against which to recoup some of their loss. This amendment is necessary to incorporate the 1994 legislative changes set forth in KRS 234.120.]~~

Section 1. Definitions. (1) "Liquefied petroleum gas" or "LP gas" is defined by KRS 234.100.

(2) "LP Gas License, Class A" means a license required for a person to engage in the liquefied petroleum gas business as described in KRS 234.120(1)(a).

(3) "LP Gas License, Class B" means a license required for a person to engage in the liquefied petroleum gas business as described in KRS 234.120(1)(b).

(4) "LP Gas License, Class C" means a license required for a person to engage in the liquefied petroleum gas business as described in KRS 234.120(1) (c).

(5) "LP Gas License, Class D" means a license required for a person to engage in the liquefied petroleum gas business as described in KRS 234.120(1)(d).

(6) "LP Gas License, Class E" means a license required for a person to engage in the liquefied petroleum gas business as described in KRS 234.120(1)(e).

Section (2)[4]. Initial Application Requirements. An applicant for a LP gas license, class A, class B, class C, class D, or class E shall submit to the department:

(1) A completed License Application to Engage in the Liquefied Petroleum (LP) Gas Business, Form HAZMAT 38-01;

(2) The applicable prorated fee required by KRS 234.120(1); and

(3) Proof of minimum liability insurance as required by KRS 234.120(1).

Section 3. Proof of Insurance. An applicant shall provide proof of minimum liability insurance by providing an insurance certificate from an insurance provider approved by the Kentucky Department of Insurance with the Department of Housing, Buildings and Construction named as the certificate holder.

Section 4. Renewal Requirements. (1) Initial licenses shall expire on the last day of the licensee's birth month or month of incorporation in the next even-numbered year. Renewed licenses shall be valid for one (1) year and shall expire on the last day of the licensee's birth month or month of incorporation.

(2) To renew a LP gas license a licensee shall submit to the department:

(a) A completed Form HAZMAT 38-01;

- (b) The applicable fee required by KRS 234.120(1); and
(c) Proof of minimum liability insurance as required by KRS 234.120(1).

Section 5. Incorporation by Reference. (1) "License Application to Engage in the Liquefied Petroleum (LP) Gas Business", Form HAZMAT 38-01, April 2021, is incorporated by reference.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Department of Housing, Buildings and Construction, Licensing Branch, 500 Mero Street, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m. and is available online at dhbc.ky.gov.

~~(1) Proof of Financial Responsibility, Amount. (1) Prior to the issuance or renewal of a license to engage in the LP gas business as required by KRS 234.120, the applicant shall submit a certificate of insurance certifying that the applicant has a valid commercial general liability insurance policy which includes coverage for completed operations and for damages because of injuries to persons, damage to their property and any other damage or loss resulting from or arising out of the LP gas dealer's business, trade, products, services, premises or operations in the minimum amount of \$100,000 for licenses set forth in KRS 234.120(1)(d), and \$500,000 for licenses set forth in KRS 234.120(1)(b), (c) and (e) and for the business license set forth in KRS 234.120(1)(a) in the minimum amount of \$1,000,000.~~

~~(2) The insurer shall be an authorized insurer as defined by the Kentucky Department of Insurance.~~

~~(3) The certificate of insurance shall be executed by a Kentucky licensed agent as follows:~~

~~(a) Form LPG-1, Certificate information.~~

LPG-1 CERTIFICATE OF INSURANCE

LP GAS DEALERS

Policy Period:

Name of Insured:

Address:

Name of Agent/Broker:

Address:

Policy Coverage: Commercial General Liability, including products and completed operations for LP Gas Dealer Business in the following amounts (Check one)

Aggregate minimum limits per incidents or occurrence:

 \$1,000,000 \$500,000 \$100,000

Type of Company: (Check one)

Authorized/Admitted Carrier

The undersigned hereby certifies that the above mentioned insurance protection has been issued in the amounts indicated.

Signature: (KY Licensed Agent)

(b) Alternate certificate. In lieu of Form LPG-1, a standard company certificate of insurance may be used; but, only if all the information listed on the State Fire Marshal's Form LPG-1 is included.

(4) Failure to maintain the required insurance shall void the license.]

KERRY B. HARVEY, Secretary

RICK W. RAND, Commissioner

APPROVED BY AGENCY: July 6, 2021

FILED WITH LRC: July 6, 2021 at 12:27 p.m.

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on September 27, 2021 at 10:00 a.m., eastern time, in the Department of Housing, Buildings and Construction, 500 Mero Street, First Floor, Frankfort, Kentucky 40601. Individuals interest in being heard at this hearing shall notify this agency in writing by five working days prior to the hearing of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. The hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the

proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through September 30, 2021 at 11:59 p.m., eastern time. Send written notification of the intent to be heard at the public hearing or written comments on the proposed administrative regulation by the above date to the contact person below:

CONTACT PERSON: Benjamin Siegel, General Counsel, Department of Housing, Buildings and Construction, 500 Mero Street, 1st Floor, Frankfort, Kentucky 40601, phone (502) 782-0604, fax (502) 573-1057, email benjamin.siegel@ky.gov.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact Person: Benjamin Siegel

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the initial application and renewal requirements for LP gas license applicants and LP gas licensees.

(b) The necessity of this administrative regulation: KRS 234.120 authorizes the commissioner to promulgate reasonable administrative regulations requiring proof of ability to respond in damages for personal injury and property damages in the minimum amounts required under the provisions of KRS 234.120(1). This administrative regulation establishes the initial application and renewal requirements for LP gas license applicants and LP gas licensees.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 234.120 authorizes the commissioner to promulgate reasonable administrative regulations requiring proof of ability to respond in damages for personal injury and property damages in the minimum amounts required under the provisions of KRS 234.120(1). This administrative regulation establishes the initial application and renewal requirements for LP gas license applicants and LP gas licensees.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: KRS 234.120 authorizes the commissioner to promulgate reasonable administrative regulations requiring proof of ability to respond in damages for personal injury and property damages in the minimum amounts required under the provisions of KRS 234.120(1). This administrative regulation establishes the initial application and renewal requirements for LP gas license applicants and LP gas licensees.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This amendment adds definitions to terms commonly utilized by the LP gas industry and the department with regards to licensure. This amendment also clarifies the application and renewal process for LP gas licensure, makes the administrative regulation more user friendly, and incorporates a new form for initial application and renewal.

(b) The necessity of the amendment to this administrative regulation: This amendment is necessary to assist the department in the administration of the statutes, to clarify the license application and renewal process for LP gas license applicants and licensees, and to incorporate by reference an application and renewal form.

(c) How the amendment conforms to the content of the authorizing statutes: KRS 234.120 authorizes the commissioner to promulgate reasonable administrative regulations requiring proof of ability to respond in damages for personal injury and property damages in the minimum amounts required under the provisions of KRS 234.120(1). This administrative regulation

establishes the initial application and renewal requirements for LP gas license applicants and LP gas licensees.

(d) How the amendment will assist in the effective administration of the statutes: This amendment will assist in the effective administration of the statutes by clarifying the application and renewal process for LP gas licensure and incorporating an application and renewal form.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: LP gas applicants, LP gas licensees, and the Department of Housing, Buildings and Construction.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in Question (3) will have to take to comply with this administrative regulation or amendment: LP gas license applicants and licensees will now be required to submit form HAZMAT 38-01 when applying for or renewing a LP gas license.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): This amendment will not impose any additional cost on any of the regulated entities identified in question (3).

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3) This amendment will assist the entities identified in question (3) to better read and understand the administrative regulation.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There is no anticipated initial additional cost associated with the implementation of this administrative regulation.

(b) On a continuing basis: There is no anticipated additional cost associated with this amendment on an ongoing basis.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Implementation of this amendment is anticipated to result in no additional costs to the department. Any cost resulting from this amendment will be met with existing agency funds.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: This amendment will not necessitate an increase in fees or require funding to the department for implementation.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: There are no fees directly or indirectly increased by this amendment.

(9) TIERING: Is tiering applied? No, tiering is not applied for this amendment as all LP gas applicants and licensees will be subject to the same requirements.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Department of Housing, Buildings and Construction will be affected by this administrative regulation.

2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. This amendment is authorized by KRS 234.120.

3. Estimate the effect of this administrative regulation on the expenditures and revenues of

a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? This amendment is not anticipated to generate additional revenue for the state or local government for the first year.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? This amendment is not anticipated to generate additional revenue for the state or local government for subsequent years.

(c) How much will it cost to administer this program for the first year? There are no anticipated additional costs to administer this regulatory amendment for the first year.

(d) How much will it cost to administer this program for subsequent years? There are no anticipated additional costs to administer this regulatory amendment for subsequent years.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): Neutral

Expenditures (+/-): Neutral

Other Explanation: None